

Q: Bill, would you remind me, which policies for which years is Liberty Mutual agreeing to settle?

A: See attached Exhibit A.

Q: Also, per our earlier discussion, does the property sale proceeds and required payment/distribution obligations sheet, dated February 28, 2014, that you forwarded on March 3, 2014 include all outstanding attorney fee sums owed except for Farnell's?

A: YES

Q: Is the accounts payable sum \$700,000 all debts owed by LPA except for property taxes and the shareholders' claims?

A: YES

Q: From that sheet, it appears there is approximately \$319,430 of net sale proceeds potential from the sale.

A: YES, at this point we think that estimate is correct. It is subject to change prior to closing.

Q: In our call you indicated that the purchaser is paying \$12,000 a month to cover LPA expenses. Is that represented by the "Additional Advances (1-10-13 through 7-31-14) figure of \$297,480 on the sheet?

A: YES. The monthly advance is \$12,395. Advances also include the indicated property taxes for 2008-09 and 2009-10, totaling \$313,967.

Q: Has all of that money been spent?

A: NO

Q: If not, if all of that advance is not spent by closing, would remainder money be additional net proceeds?

A: YES. The current estimate of net sale proceeds includes unspent advances of the purchase price.

Q: As discussed, please provide the additional attorney fees LPA owes.

A: Coverage counsel Mike Farnell will bill LPA for services rendered in drafting a release and recovering the \$500,000 of conceded insurance coverage proceeds. Per

our conversation and your request, we will deduct those fees from “Net Sale Proceeds”.

Q: If such fees are only owed upon recovery under the policy, provide the estimated amount that will be owed.

A: Including services previously rendered by Mr Farnell and those being and to be rendered to recover these insurance proceeds), we estimate fees in the \$5,000-\$10,000 range.

EXHIBIT A

POLICIES

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Effective Dates</u>
General Insurance Company of America	BLP232479	4/23/66 to 4/23/67
General Insurance Company of America	CP160977	4/23/67 to 4/23/70
General Insurance Company of America	CP276891	4/23/70 to 4/23/71*

*this is a three year policy effective 4/23/70 to 4/23/73 with annualized limits; only 4/23/70 to 4/23/71 year is part of this settlement agreement